MVP Roundtable

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Strategic Workforce Planning Tool Kit

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Strategic Workforce Planning phases

Prepare	Analyze	Develop	Execute	Evaluate
• Set strategic direction	• Analyze workforce and identify skill gaps • Articulate business strategy and environmental factors • Identify required capabilities • Diagnose talent issues	• Develop a plan to address talent gaps and risks	• Implement action plan	• Monitor, evaluate and revise
Step 1: Develop business case and build leader buy-in for Strategic Workforce Planning **Step 2**: Analyze demographic data to determine accuracy; update as needed	**Step 3:** Engage business leaders to articulate key strategic objectives and identify environmental factors or shifts that will affect talent needs and supply	**Step 4**: Identify capabilities most critical for strategy execution and to address environmental factors **Step 5:** Assess organization's current capabilities against identified capabilities **Step 6:** Diagnose internal talent gaps and surpluses and other talent risks **Step 7:** Assess external talent supply	**Step 8:** Develop a plan to close gaps, identifying potential barriers associated with chosen actions and shifting investment away from surpluses and unnecessary capabilities toward gaps and capabilities needed for the future	**Step 9:** Implement plan and evaluate on a predetermined schedule; create scenarios based on environmental shifts, and review plan as these occur **Step 10:** Measure and communicate progress toward talent goals

Guiding principles

- Each phase of workforce planning is important. However, it can be used flexibly to address the particular needs of the business or function embarking on Strategic Workforce Planning. Workforce planning is not serial – the HRBP and business/functional leaders emphasize some steps and de-emphasize others to meet their particular needs and timeframe.
- Workforce planning is complex and can involve a large number of stakeholders if the function or business is global, multilayered or matrixed or if the targeted workforce includes multiple job families. Appropriate project management and structures aligned to the size and complexity of the undertaking should be utilized. These may include a project charter, project plan, status reports, etc.
- Workforce planning should be aligned with strategic and operational planning and leverage existing data, information and documents from the business or function.
- Workforce planning should align with other talent management processes, such as succession planning and talent review, and leverage available information and documents such as SWOTs, talent implications, demographic analyses, talent dashboards, and engagement survey results/analyses.

Prepare:

Prepare for workforce planning

Expected outcomes

- Business leaders understand, buy-in and commit to the process and outcomes
- Up-to-date and accurate view of the targeted workforce

Step 1: Develop business case and build leader buy-in for Strategic Workforce Planning	• Engage business leader/sponsor to discuss purpose of Strategic Workforce Planning and how it can address current business issues and support achievement of business strategy and objectives • Build and present business case • Identify key stakeholders who will be involved in the process, assess need to build buy-in, determine influencers (e.g., leadership team or council), form an Initiative Committee – Business/Functional Leaders, Leadership Teams, Councils – HRBPs – OD Talent Partners – Sr. Consultant/Analyst – CoEs/HRSS; Compensation, Metrics • Kick-off initiative with Committee; communicate business case, process and timing, roles, time commitment, expectations • Form a project team (HR)
Step 2: Analyze demographic data to determine accuracy; update as needed	• Compile **demographic data**, analyze and review with Sponsor and Committee • Determine if data is a true representation of the targeted workforce; if not, update data as needed • Engage Committee to validate and communicate changes, engage other leaders to create guidelines and re-map all employees in the targeted workforce • Re-run demographic data and validate with Committee; use in step 6 in combination with capabilities assessment to determine capability and capacity gaps and surpluses and other talent risks • Work with relevant org areas (e.g., HR Services) to update HR system with any changes

Analyze:

Articulate business strategy and environmental factors

Expected outcomes

- An understanding of the organization's current state
- A comprehensive view of the business/function's strategic priorities over the next 3-5 years
- A comprehensive view of environmental factors that will affect talent needs and supply

Step 3: Engage business leaders to articulate key strategic objectives and identify environmental factors or shifts that will affect talent needs and supply

- Assess current state: Learn the status of the business unit/function and the leaders' perception of the current state of the organization.
  - Interview Sponsor, Committee members and other key stakeholders (leaders, subject-matter experts) to identify and articulate key strategic objectives and any environmental factors or shifts that will affect talent needs and supply (e.g., regulatory changes, competitor actions, new entrants, technology changes)
  - Collect and review relevant documents -- business strategy, annual plans, technology roadmaps, regulatory papers – and analyze talent implications
- Define business strategy: Understand the long-term plan as the business leader sees it, including how it can be achieved and measures of success
  - Compile and summarize information
  - Validate and finalize with Sponsor and Committee
  - Identify and track assumptions, implications and hypothesis during this and remaining steps; test these with Sponsor and Committee members at each phase

Sample interview questions

- What critical skills are needed to succeed in this business unit/function (behavioral and technical skills)?
- What competencies will your staff need to support the organization's strategy?
- Where do these skills/capabilities need to be located to have an impact?
- How prevalent will these skills/capabilities need to be to support business strategy (e.g., most employees, or a few specialists)?

Review sample interview guide on next page

Sample interview guide

Step 2: Understand Strategic Objectives

Interview Protocol for Functional and Business Leaders

1. What are the key business group objectives for the next two to five years?
2. What are the business group's three to four competitive advantages that will help us achieve these objectives?
3. What are the three to four large-scale challenges that could keep us from achieving these objectives?
4. What are the implications of the business group's objectives for our Actuarial function? What are the Actuarial-specific initiatives required to execute the business group objectives?
5. What is the time frame available to the business group to execute the initiatives?
6. What is the time frame available to execute the Actuarial initiatives?
7. How will ORSA, IFRS, and our technology implementation affect the Actuarial function?
8. What resources (e.g. talent, capabilities, production advantages, market understanding) does the Actuarial function have to support achievement of these initiatives?
9. What are some of the resource constraints the Actuarial function faces that could hinder achievement of the business group initiatives?
10. Who else should we interview to gather information?

Analyze/ Develop:
Identify required capabilities and diagnose talent issues

Expected outcomes

- Specific workforce requirements needed to execute business strategy, including capability, capacity (volume) and location defined
- Critical and noncritical capabilities existing within the organization are defined
- Business and environmental factors identified that, if changed, would affect strategy

Step 4: Identify the capabilities most critical for strategy execution and to address environmental factors	• Work with a subcommittee to identify and articulate critical role-specific/job- and family-specific capabilities • Use information gathered in Step 3 to identify capabilities most critical now and in the future for strategy execution and to address environmental factors • Review organizational core and leadership competencies; determine which competencies are priorities for strategy execution and identify and document how these apply to the targeted workforce (e.g., add language to key competencies to indicate how they apply to the targeted workforce or roles) • Compile and summarize; validate with Sponsor and Committee • Review sample capability and competency definitions on next page **Sample questions** • What critical skills are needed to succeed in this business unit/function (behavioral and technical skills)? • What competencies will your staff need to support the organization's strategy? • Where do these skills/capabilities need to be located to have an impact? • How prevalent will these skills/capabilities need to be to support business strategy (e.g., most employees, or a few specialists)?
Step 5: Assess organization's current capabilities against identified capabilities	• **Assess current workforce capabilities and competencies** against those identified as critical and required for strategy execution and to address critical environmental factors • Interview Sponsor, each Committee member and other key stakeholders to assess current levels of capability against future requirements *We suggest segmenting capabilities to clarify their role in strategy execution as follows:* ***Strategy-critical roles*** • *Strategic talent – critical for driving long-term competitive advantage and growth* • *Core talent – unique to organization and core to delivering products and services* ***Strategy-affected roles*** • *Requisite talent – needed for the business but could be delivered more cost-effectively* • *Noncore talent – no longer aligned with organization's strategic direction*

Sample actuarial workforce capability and competency definitions

Actuarial Capabilities	Core and Leadership Competencies: Actuarial-Specific Requirements to Execute Strategy and Implement Regulatory Changes
1. Actuarial Analysis and Insight: generates, applies and communicates insight by providing actuarial input on business opportunities, assumptions and other business purposes. 2. Actuarial Oversight: oversees, reviews and challenges key actuarial practices. 3. Asset Liability Management: plans and coordinates ALM structure to optimize risk / return profiles. 4. Asset Portfolio Management: ensures compliance with the asset mix, market risks and other investment parameters. 5. ESG Modelling: develops, maintains and operates economic scenario generator models. 6. Financial Analysis and Reporting: prepares financial analysis and reporting for financial statements / management decision-making / regulatory authorities 7. Financial Reporting Regimes: applies in-depth knowledge of current and proposed financial reporting regimes to optimize business and financial reporting. 8. Predictive Modelling: uses predictive modelling and draws insights from outside of the models. 9. Product and Pricing: designs and prices new and existing products. 10. Projections: applies actuarial methods to create projections such as Plan, Dynamic Capital Adequacy Testing. 11. Reserve Management: develops and recommends assumptions for reserving. 12. Risk Management Oversight: oversees the management and mitigation of business and actuarial risk.	1. Understands the Business: understands the business value and impact of actuarial models and results. Can convert financial analysis into business solutions. Knows the business and can cut through extraneous information to see the trends important to leaders. 2. Collaborates Effectively: Has a systems thinking approach. Understands the broader organization and the relationship / impact among the areas. 3. Communicates Confidently: can clearly articulate the business value and impact of actuarial models and results. Can articulate financial analysis and solutions in clear language. 4. Focuses on the Customer: listens to the customer and designs value-added, uncomplicated products. 5. Thinks and Acts Strategically: has the ability to think outside the models and interpret implications. Identifies relationships and interactions among models to create information, understanding the limitations of the models. 6. Generates Innovative Solutions: has a vision of the future. Is outward looking and identifies new technology and its usage to create value for Sun Life and its customers. 7. Attracts, Develops and Retains Talent: Ensures a ready supply of talent for rotation into Functional Expertise areas and to meet our current and future needs. Integrates the skills of a team and ensure its insights are leveraged by the organization. 8. Leads Change: can motivate and inspire diverse teams towards a common purpose.

Develop:

Identify required capabilities and diagnose talent issues

Expected outcomes

- Critical, existing talent gaps identified
- Retention risks that could create future talent gaps are known
- Quality of talent available in the labor market identified
- Understanding of how the market will change based on leading indicators

Step 6: Diagnose internal talent gaps and surpluses and other talent risks	• Using data gathered in steps 4 and 5, create bar graphs comparing current capabilities and competencies to desired/critical capabilities and competencies • Analyze data from step 5 and use information from Step 3 to analyze talent gaps, surpluses and risks and other organizational issues (e.g., organization structure, communication) • Create a set of questions for the Sponsor, each Committee Member and other participating stakeholders to review the analysis of their data/perspective; validate and refine *We suggest identifying potential risks stemming from talent alignment gaps such as lack of employee readiness for new strategic priorities, and to execute strategic priorities* • *Talent Alignment Gaps: Commitment, Customer Focus, Opportunity Alignment, Knowledge Transfer* • *Organizational Alignment Gaps: Organization Frame, Strategic Direction, Culture, Leadership* *We suggest evaluating the retention risks of individuals holding critical roles or possessing critical capabilities to anticipate future gaps* • *Use Talent Review (profiles), turnover and engagement data to assess these gaps and risks*
Step 7: Assess external talent supply	• Seek leading indicators when consulting common sources of **market intelligence** and follow four key principles: – Knowing skills in the market vs. positions in the market – Mapping talent competitors vs. sourcing public data – Validating current information vs. gathering more information – Estimating high risk vs. specifying detailed hiring strategies • Engage or use trusted data such as **CEB/Talent Neuron** to produce a customized study of the targeted workforce • Determine parameters for the customized research; countries, cities, roles, skills and capabilities • Consult with Compensation team on role levels and market compensation to ensure good alignment of Global Career Framework with provider market data • Review and discuss study with Provider consultants and engage them to present and discuss findings with Sponsor and Committee for input and validation

Develop:

Develop a plan to address talent gaps and risks

Expected outcomes

- Capabilities that increase, maintain or reduce investments are identified
- Interventions to address prioritized talent risks are developed
- Potential barriers to these interventions identified with plans to overcome them

Step 8: Develop a plan to close prioritized gaps; identify potential barriers associated with chosen actions and shift investment away from surpluses and unnecessary capabilities toward capabilities needed for the future

- Using data from all previous steps, develop recommendations and actions to address talent gaps, mitigate risks and shift investment to critical areas
- Prioritize recommendations (e.g., current gaps should get higher priority than gaps anticipated in the future as the business and the environment shift)
- Satisfy internal demand to **fill talent gaps**: Build, buy
- Satisfy internal demand to **shrink talent gaps**: Retain, align

Solution will depend on type of gaps identified

- Solutions may include organization design, improved communication, new talent development approaches, updated talent acquisition approaches, re-organization or redeployment of work (e.g., centralize, offshore, outsource), engagement of external expertise (e.g., consulting)
- Review, refine and finalize recommendations with Sponsor and Committee creating a Strategic Workforce Plan
- Document detailed plan with clear actions, ownership and timeframes; assign accountability for each action to Sponsor, individual Committee members or HR

Three common derailers/barriers

1. Talent acquisition: What affects our effectiveness in attracting and recruiting critical talent?
2. Talent development and deployment: What affects our effectiveness in developing and deploying critical skills and competencies?
3. Organization design: How is our organization design misaligned with critical talent needs?

Execute/ Evaluate:

Implement plan, track relevance and refresh

Expected outcomes

- Triggers to be monitored on an ongoing basis that necessitates a review of the workforce plan are documented
- Scorecard/measures to track and communicate progress against workforce plan objectives is developed

Step 9: Implement plan and evaluate on a predetermined schedule; create scenarios (triggers) based on environmental shifts, and review plan as these occur	• Implement a **calendar-based and trigger-based review process** to ensure plans adapt to changing business priorities, talent needs and environmental shifts • Agree on a suitable review schedule (e.g., quarterly, semiannually) • Create scenarios based on environmental shifts and factors (e.g., shift in regulatory changes, shift in regulation dates, major shift in business strategy, competitor actions) and use to trigger reviews • Review plan on predetermined schedule, checking for relevance, and update plan as needed • Review plan if any scenarios or similar internal or external shifts occur; update as needed
Step 10: Measure and communicate progress toward meeting talent goals	• **Track and communicate progress compared to workforce plans** to drive urgency and accountability and keep the plans top of mind for business leaders • Establish appropriate measures of success for each action and Strategic Workforce Plan overall • Measure completion and impact of actions, integrate into enterprise talent processes (Succession Management and Talent Review, Talent Development) • Create a scorecard to track progress

Performance management

Ratings and target distribution

- Identify who really stood out this year – those are your **Exceptional** performers
- Most employees' (50 - 60%) performance will be rated **Strong Contribution**

Performance Rating	Definition	Target distribution (NOT TO BE SHARED WITH EMPLOYEES)
Exceptional	Exceeded or greatly exceeded all goals. Achieved results well beyond expectations for the role, to achieve an outstanding level of performance throughout the year.	5 - 10%
Exceeds Expectations	Met all goals and exceeded some. Achieved a very high level of performance in some areas and performed well in all others throughout the year.	20 - 25%
Strong Contribution	Met all goals. Achieved results that fully met expectations throughout the year. Delivered strong overall performance.	50 - 60%
Meets Most Expectations	Met or partially met most, but not all goals. Achieved an acceptable level of performance for part of the year, and is still developing in key areas. Continuing skill development is expected in order to achieve strong results by the next performance year.	5 - 10%
Does Not Meet Expectations	Did not meet most or all goals. Did not achieve a consistent and acceptable level of performance. Improvement is required.	< 5%

Top Third

Tips for setting great goals

Considerations for setting goals

- Each individual's current performance, capacity and desire for more challenging work, interests, development needs and career goals.
- Assign each individual a "stretch goal" that supports their development and allows them to learn and demonstrate a different skill or ability. High-potential individuals should be considered for the most challenging stretch goals so that you have an opportunity to gauge their readiness for a larger role.

Work toward the big picture

- Align goals with the business strategy – ensure you articulate how your business objectives contribute to achieving the overall strategy. Articulating this is key to employee engagement – we know that fully engaged employees are twice as productive.
- If your team and/or business area goals have not yet been set, work with what you know. It's far better for goals to evolve than to have your team members not know what is expected of them in the interim.

Think macro and micro – allocating work

- What does your team need to achieve over the year to deliver on your business commitments?
- Include goals that will challenge and develop each individual team member.

Set well-rounded goals

- Achieve balance between business goals, people goals, and development/career goals

The most effective goals are SMART

Specific — clear actions, results and expected outcomes that support the priorities for your area of the business. Describe exactly what the individual is going to do.

Measurable — trackable quantitative or qualitative measures that demonstrate goal achievement.

Attainable — appropriately matched to the individual's skill set and capability as well as the business circumstances (break up larger, multi-year projects into annual outcomes and be mindful of overly aggressive/unrealistic timelines).

Relevant — how goals connect with the goals of the people leader, team, division or business strategy.

Time Bound – include realistic deadlines to ensure the timely completion of goals (especially if they affect the work of others). Large or complex goals should be further broken down by using interim or milestone dates.

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SLPC 29548 04/19 (exp. 04/21)